

Claims

[c1] 1.A method of generating a market–sector level index of investment portfolio performance, comprising the steps of:

acquiring data for a population of investments;

generating a contiguous series of the measurement of periodic investment return for the population of investments whose operations mirror that of an investment manager holding a diversified investment portfolio;

dividing the population of investments into market–sector groups whose pattern and level of past periodic returns has been uniquely different as stipulated under the tenets of Modern Portfolio Theory;

calculating an average of the population period–returns for each returns period and each market–sector group;

creating index–comparison statistics for each market sector; and

generating population–comparison statistics for each market sector from periodic returns data of the market–sector group.

[c2] 2.The method of claim 1, wherein the index–comparison statistics are calculated using the formula of: [(ending

value-preceding period)*(1+(average periodic return-current period/100))]=[ending value-current period] and the start date and beginning value is set to coincide with earliest available initial date and the initial-date index value for an associated primary-market index .

[c3] 3. The method of claim 1, wherein the index-comparison statistics are calculated using the formula of: [(ending value-preceding period)*(1+(average periodic return-current period/100))]=[ending value-current period] and the start date and ending dates for the compared indices are set to common values and the initial index value is set to 100.

[c4] 4.The method of claim 1, wherein the population-comparison statistics are calculated using an equilibrium line structured under the tenets of the CAPM.

[c5] 5.The method of Claim 1, wherein the populations of investments are comprised of asset classes of book-valued secondary-market securities.

[c6] 6.The method of Claim 1, wherein the populations of investments are comprised of asset classes of mutual fund securities.

[c7] 7.The method of Claim 1, wherein the periodic returns are calculated on the basis of quarterly periodic returns.

- [c8] 8.The method of Claim 1, wherein the periodic returns are calculated on the basis of daily periodic returns.
- [c9] 9.The method of Claim 1, wherein the variance in periodic returns is calculated as its absolute value, known as the standard deviation of periodic returns around their average value.
- [c10] 10.The method of Claim 1, wherein the variance in periodic returns is calculated in terms of its value relative to the pattern and level of the variance in periodic returns for a benchmark measure, otherwise known as beta.
- [c11] 11.The method of Claim 1, wherein the population of periodic returns data comes from an average of a population of investment alternatives combined as four market-sectors.
- [c12] 12.The method of Claim 1, wherein the population of periodic returns data comes from an average of a population of investment alternatives combined as five market-sectors.
- [c13] 13.The method of Claim 1, wherein the population of periodic returns data comes from an average of a population of investment alternatives combined as seven market-sectors.

[c14] 14. The method of Claim 1, wherein the population of periodic returns data comes from an average of a population of investment alternatives combined as ten market-sectors.